

## Message Text

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13

ORIGIN COME-00

INFO OCT-01 ISO-00 FEA-02 AGR-20 CEA-02 CIAE-00 DODE-00

EB-11 FRB-02 H-03 INR-10 INT-08 L-03 LAB-06 NSAE-00

NSC-07 PA-04 RSC-01 AID-20 CIEP-02 SS-20 STR-08

TAR-02 TRSE-00 USIA-15 PRS-01 SP-03 OMB-01 SWF-02

AF-10 ARA-16 EA-11 EUR-25 NEA-14 IO-14 /244 R

66610

DRAFTED BY: COMMERCE:E LESLIE:D SCHLECHTY:CEJ

APPROVED BY: STR:AHGARLAND

AGRIC:RMCCONNEL

DEFENSE:JDARLING

LABOR:JCOYLE

TREASURY:WBARREDA

STAE:DMORRISON

STATE:DBORN (SUBS)

----- 082963

P R 062151Z JUN 74

FM SECSTATE WASHDC

TO AMMISSION GENEVA PRIORITY 2751

INFO AMEMBASSY NEW DELHI

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C O R R E C T E D C O P Y (PARA 2C LINE 4 OMITTED)

E.O.11652:GDS

TAGS: ETRD, GATT, IN

SUBJECT: GATT ARTICLE XXVIII NEGOTIATIONS - INDIA

REFERENCES: (A) GENEVA 3516; (B) TSC DOC 73-54, 10/11/73

1. IN FOLLOW-UP TO MAY 28-31 NEGOTIATIONS (REPORTED REFTEL (A)), MISSION REQUESTED TO PASS TO NARASIMHAN FOLLOWING REVISED US REQUEST WHICH INTENDED TO TAKE INTO ACCOUNT LIMITED OFFICIAL USE

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PART IV COMMITMENTS AND GOI REVENUE CONCERNS. WE BELIEVE

US REQUEST SHOULD PROVIDE BASIS FOR REACHING ARTICLE XXVIII SETTLEMENT WITH GOI WITHIN PERIOD OF CURRENT GATT WAIVER.

2. MODIFIED REQUEST LIST IS AS FOLLOWS:

A. ACCEPT GOI OFFER OF REDUCTIONS AND BINDINGS ON

ITEMS SET FORTH PARAGRAPH 1-A REFTEL (A) AT FULL TRADE VALUE WHICH ESTIMATED AT DOLS. 2.2 MILLION 1971-73 AVERAGE.

B. REQUEST DUTY REDUCTION FROM 60 PERCENT TO 40 PERCENT AND BINDING ON 7185201, GLASS WORKING MACHINES OTHER THAN THOSE FOR WORKING GLASS IN THE COLD, WITH TRADE VALUE OF DOLS. 400,000.

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C. WE PREPARED GIVE ONE-HALF CREDIT FOR BINDINGS AT THE CURRENT DUTY RATE (PROVIDED SUCH RATES DO NOT EXCEED 30 PERCENT) FOR ALL ITEMS LISTED BELOW. BY NOT SEEKING DUTY REDUCTIONS BUT LIMITING REQUEST FOR FOLLOWING ITEMS TO BINDINGS ONLY, WE HOPE BLUNT GOI ARGUMENT RE REVENUE LOSSES AS CONSEQUENCE NEGOTIATIONS. ITEMS FOLLOW:

6743201, COLD ROLLED MEDIUM PLATES AND SHEETS OF HIGH CARBON STEEL, 3MM TO 45-75MM THICK.

6750211, OTHER STRIPS AND HOOPS OF HIGH CARBON STEEL, COLD-ROLLED.

7156199, GRINDERS, NES.

7156200, LAPPING, BONING AND POLISHING MACHINES.

7184211, ROCK DRILLING MACHINES.

7184233, PARTS AND ACCESSORIES OF EXCAVATING MACHINERY.

7192139, PARTS AND ACCESSORIES OF PUMPS FOR LIQUIDS.

7192201, AIR AND GAS COMPRESSORS.

7199203, INDUSTRIAL VALVES.

7192205, PARTS OF PUMPS FOR GAS.

SCHEDULE B US EXPORTS NO. 7198035, TIRE BUILDING MACHINES AND PARTS (US REPS WILL HAVE TO DETERMINE SPECIFIC INDIAN TARIFF ITEMS INVOLVED).

7295219, OTHER ELECTRICAL CONTROLLING APPARATUS.

8619709, APPARATUS FOR MEASURING LIQUID AND GAS FLOW, ETC. NES.

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AVERAGE 1971-73 INDIAN IMPORTS FROM US IN ABOVE ITEMS AMOUNT TO ABOUT DOLS. 10 MILLION, CONSEQUENTLY THE TRADE COVERAGE CREDIT FOR THE REQUESTED BINDINGS WOULD BE DOLS. 5 MILLION.

D. SHORT FALL REMAINS BETWEEN US CLAIMS OF DOLS. 9.4 MILLION REF (B) AND TOTAL REQUESTS IN A, B, AND C ABOVE. WE PROPOSE AS BALANCING ITEM REDUCTION AND BINDING ON SOY-

BEAN OIL (PARAGRAPH 1-B REFTTEL (A)). WE CONSIDER IT  
BALANCE ITEM IN SENSE NOT POSSIBLE ASSIGN TRADE BENEFIT  
FIGURE TO CONCESSION IN VIEW FACT THAT DURING PERIOD 1969-  
1973 OVER 90 PERCENT OF US EXPORTS TO INDIA MOVED ON CON-  
CESSIONAL TERMS. NEVERTHELESS WE PREPARED VIEW FAVORABLY  
MEANINGFUL CONCESSION THIS ITEM IN CONTEXT OVERALL BALANCE  
OF CONCESSIONS OFFERED BY GOI.

3. WE VIEW SUBSTANTIALLY MODIFIED REQUEST LIST AS A SUB-  
STANTIAL CONCESSION TO GOI WHERE NUMBER OF ORIGINAL REQUEST  
FOR DUTY REDUCTIONS REPLACED BY BINDING REQUESTS AT CUR-  
RENT RATES. THIS REFLECTS IN LARGE MEASURE STRONG US  
DESIRE CONCLUDE NEGOTIATIONS PRIOR EXPIRATION CURRENT GOI  
GATT WAIVER AND TO BE FORTHCOMING OUT OF RESPECT FOR  
INDIAN ARGUMENT RE GATT PART IV. GOI SHOULD NOT CONSIDER  
REQUESTS AS INDICATIVE OR AS PROVIDING PRECEDENT AS TO HOW  
US WILL APPROACH OTHER ARTICLE XXVIII NEGOTIATIONS, EITHER  
WITH GOI OR OTHERS.

4. IN THE INTEREST OF CONCLUDING NEGOTIATIONS QUICKLY, WE  
WOULD BE PREPARED HAVE FURTHER DISCUSSIONS BY OUR REPRE-  
SENTATIVES EITHER IN GENEVA OR NEW DELHI. MISSION SHOULD  
SEEK NARASIMHAN VIEWS ON HOW GOI MAY WISH PROCEED TO MOVE  
NEGOTIATIONS ALONG SINCE BALL NOW IN THEIR COURT. KISSINGER

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** ELECTRONIC EQUIPMENT, EQUIPMENT, COMPENSATION, POLICIES, CUSTOMS DUTIES, TARIFF NEGOTIATIONS, TARIFF AGREEMENTS, TARIFF CONCESSIONS, GLASS, TOOLS, STEELS, SOYBEANS, ARTICLE XXVIII  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 06 JUN 1974  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** smithrj  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1974STATE119676  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** COMMERCE:E LESLIE:D SCHLECHTY:CEJ  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Film Number:** D740147-0342, D740144-0689  
**From:** STATE  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1974/newtext/t19740668/aaaacgjb.tel  
**Line Count:** 139  
**Locator:** TEXT ON-LINE, ON MICROFILM  
**Office:** ORIGIN COME  
**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 3  
**Previous Channel Indicators:**  
**Previous Classification:** LIMITED OFFICIAL USE  
**Previous Handling Restrictions:** n/a  
**Reference:** (A) GENEVA 3516; (B) TSC DOC 73-54,, 10/11/73  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** smithrj  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 17 JUN 2002  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <17 JUN 2002 by kelleyw0>; APPROVED <24 FEB 2003 by smithrj>  
**Review Markings:**

Declassified/Released  
US Department of State  
EO Systematic Review  
30 JUN 2005

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** GATT ARTICLE XXVIII NEGOTIATIONS - INDIA  
**TAGS:** ETRD, IN, US, GATT  
**To:** GENEVA  
**Type:** TE  
**Markings:** Declassified/Released US Department of State EO Systematic Review 30 JUN 2005